

**Cortland County IDA  
Application for benefits**

**Review Date**      **September 16, 2019**

**Name of Applicant:** **83-85 Main Street LLC**

**Nature of Business**      Retail      Commercial/Service      Manufacturing  
Other      **Mixed Use Residential/Commercial**

**Description of Project:** **Redevelopment of a large, historic, deteriorating and chronically vacant building in the heart of downtown Cortland. The renovation will include commercial space on the 1<sup>st</sup> floor and 3 floors of residential living units.**

**Location of Project**      **83-85 Main Street**

**Total number of FTE employees as of the date of application:** **-0-**

**Projected number of new FTE positions to be created within the years of project:** **-0-**

**Average starting wage:** **N/A**

**Date to begin new jobs :** **N/A**

**Projected fixed asset investment to be made:** **\$2,440,490**  
Exceeds \$500,000      Yes      No

**Qualifying Checklist**

**Referenced in Development Policy:**

**Yes      No      (Check one for each category)**

- The number of jobs to be created, with priority given to businesses creating five full-time permanent jobs that pay starting hourly wages at 135% of the current NYS minimum wage or higher
- The timeline for the projected investment and job creation is within the first two years of application
- The applicant will increase the skill base of the local workforce through training, opportunities for professional development and career track advancement
- Goods and services will be procured regionally, thereby increasing

regional buyer-supply chains and producing a greater multiplier effect

- The level and type of investment is \$500,000 or greater
- The business enhances strategic goals identified in the BDC development Plan and enhance the overall regional economic climate

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**Additional comments or notes:**

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## CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### APPLICATION FOR FINANCIAL ASSISTANCE

**IMPORTANT NOTICE:** The answers to the questions contained in this application are necessary to determine the applicant's eligibility for financial assistance from the Cortland County Industrial Development Agency. The answers will also be used in the preparation of papers in this transaction. Accordingly, an officer or other employee of the applicant who is thoroughly familiar with the business and affairs of the applicant and who is also thoroughly familiar with the proposed project should answer all questions accurately and completely. This application is subject to acceptance by the Agency.

**TO:** CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
37 CHURCH STREET  
CORTLAND, NEW YORK 13045

APPLICANT: 83-85 Main Street, LLC

APPLICANT'S STREET ADDRESS: 2 N. Main Street, PO Box 10

CITY: Cortland STATE: NY PHONE NO. (607)756-2805

E-MAIL ADDRESS: franco@baileysplace.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS  
APPLICATION: Tamie Yamar, Steve Franco

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Baranello Law Firm

NAME OF ATTORNEY: James Baranello

ATTORNEY'S STREET ADDRESS: 39 Church Street

CITY: Cortland STATE: NY PHONE NO.: 607 758 8200

E-MAIL ADDRESS: james@baranello.law.com

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**NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THIS  
APPLICATION**

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#### INSTRUCTIONS

1. The Agency will not approve any applications unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer, which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project, which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has established a project fee of 1 percent of the proposed capital investment for each project in which the Agency participates. **UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.**

**FOR AGENCY USE ONLY**

|     |   |        |
|-----|---|--------|
| 1.  | Project Name or Number                              |        |
| 2.  | Date Application Received by Agency                 | , 20__ |
| 3.  | Date Application Referred to Attorney for Review    | , 20__ |
| 4.  | Date Copy of Application Mailed to Members          | , 20__ |
| 5.  | Date Notice of Agency Meeting on Application Posted | , 20__ |
| 6.  | Date Notice of Agency Meeting on Application Mailed | , 20__ |
| 7.  | Date of Agency Meeting on Application               | , 20__ |
| 8.  | Date Agency Conditionally Approved Application      | , 20__ |
| 9.  | Date Scheduled for Public Hearing                   | , 20__ |
| 10. | Date Environmental Assessment Form ("EAF") Received | , 20__ |
| 11. | Date Agency Completed Environmental Review          | , 20__ |
| 12. | Date of Final Approval of Application               | , 20__ |

**I. APPLICANT INFORMATION-COMPANY TO RECEIVE BENEFITS (the "COMPANY")**

**A. Identity of Company:**

1. Company Name: 83-85 Main Street, LLC  
Present Address: PO Box 10, Cortland, NY  
Zip Code: 13045 Employer ID No.: 82-3371799

2. Indicate type of business organization of Company:

a.  Corporation. Incorporated in what country? \_\_\_\_\_ ;  
State: \_\_\_\_\_ ; Date Incorporated: \_\_\_\_\_ ;  
Authorized to do business in New York State? Yes \_\_\_\_\_ No \_\_\_\_\_  
i. Is the Corporation Publicly Held? Yes \_\_\_\_\_ No \_\_\_\_\_. If yes, please list  
exchanges where stock is traded: \_\_\_\_\_  
ii. If no, list all Stockholders having a 5% or more interest in the  
Company: \_\_\_\_\_

| Name | Address | Percentage of Holding |
|------|---------|-----------------------|
|      |         |                       |
|      |         |                       |
|      |         |                       |
|      |         |                       |
|      |         |                       |

b.  Partnership. General or Limited partnership? \_\_\_\_\_  
Name all partners below:

| Name | Address | General Partner | Limited Partner |
|------|---------|-----------------|-----------------|
|      |         |                 |                 |
|      |         |                 |                 |
|      |         |                 |                 |
|      |         |                 |                 |
|      |         |                 |                 |

c.  Limited Liability Company. Formed in what country USA; State: NY; Date of Formation: 4/24/18; Authorized to do business in New York State? Yes  No ; Name all members below:

| Name           | Address                       | Membership Percentage |
|----------------|-------------------------------|-----------------------|
| Stephen Franco | 4328 Cosmos Hill Rd, Cortland | 50                    |
| James Yaman    | 46 Drake Rd, Lansing          | 50                    |
|                |                               |                       |
|                |                               |                       |
|                |                               |                       |

d.  Sole proprietorship. Name of Sole Proprietor: \_\_\_\_\_

3. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: \_\_\_\_\_

**B. Management of Company:**

List all officers/directors/managers (complete all columns for each person):

| Name and Home Address                       | Office Held |
|---|-------------|
| Stephen D. Franco - 4328 Cosmos Hill Rd, NY | member      |
| Jamie Yaman - 46 Drake Road Lansing NY      | member      |
|   |             |
|   |             |
|   |             |
|   |             |
|   |             |

**C. Company/Management History:**

1. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes  No .
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes  No .
3. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes  No .

If the answer to any of questions 1 through 3 is yes, please furnish details in a separate attachment.

**II. PROPOSED PROJECT DATA**

**A. Description of the Project:**

1. Please provide a narrative of the Project and the purpose of the Project (acquisition, construction, renovations and/or equipment purchases). Identify specific uses occurring with the Project. Describe any and all tenants and any/all end users (attach additional pages):

*This project is a mixed use redevelopment of a chronically vacant deteriorating historic building.*

2. Describe the reasons why the Agency's Financial Assistance is necessary and the effect the Project will have on the Company's business or operations and any corresponding benefit to the Cortland County community (attach additional pages):

*See attached*

3. Is there a likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency:

Yes

No

4. If the Project could be undertaken without the Financial Assistance provided by the Agency, then provide a statement indicating why the Project should be undertaken by the Agency (attach additional pages):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**B. Location of Project:**

1. Street Address: 83-85 Main Street  
2. City: Cortland  
3. Town: \_\_\_\_\_  
4. Village: \_\_\_\_\_  
5. Is any portion of the Project located outside of Cortland County? If so, identify the other county: N/A  
6. School District: Cortland City  
7. Tax Parcel Nos.: 86.58-04-12.000

3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes  No  If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

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4. Please indicate the amount of funds expended on the Project by the Applicant in the past three (3) years and the purpose of such expenditures:

*\$30,000+ in past 10 month on collapsed roof repair and replacement and on stabilizing + shoring up the building + \$260,000 to purchase the building on 5-1-18 (See pg 6)*

**III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT**

**(PLEASE COMPLETE THE FOLLOWING SECTION IF THE APPLICANT INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT)**

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes  No  If yes, please complete the following for each existing or proposed tenant or subtenant:

*100% of the finished space will be leased to commercial + residential tenants - Both presently unknown*

Sublessee Name: \_\_\_\_\_

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sublessee is: \_\_\_\_\_ Corporation; \_\_\_\_\_ Partnership; \_\_\_\_\_; Limited Liability Company; \_\_\_\_\_ Sole Proprietor

Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sublessee: \_\_\_\_\_

Date of lease or sublease to Sublessee: \_\_\_\_\_

Term of lease or sublease to Sublessee: \_\_\_\_\_

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes  No

If yes, please provide on a separate attachment

- a. details; and
- b. the answers to questions II (F) (4) through (6) with respect to such sublessee.

**C. Description of the Project site:**

1. Approximate size (in acres or square feet) of the Project site: 5650 sq. ft - 1/1  
Attach a map, survey or sketch of the Project site.

2. Are there existing buildings on the Project Site?

Yes  No \_\_\_\_\_. If yes,

a. Indicate each existing building and indicate the approximate size (in square feet) of each building:

1 Building that is 16,000 sq. ft  
4 stories  
Building will be expanded to 20,000 sq. ft.

b. Are the existing buildings in operation? Yes  No \_\_\_\_\_. If yes, describe the present use of each building in operation:

1 Tattoo parlor using approx 2000 sq. ft.  
Entire remaining portion of building is vacant.

c. Are the existing buildings abandoned? Yes \_\_\_\_ No ;  
About to be abandoned? Yes \_\_\_\_ No \_\_\_\_\_. If yes, describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

d. Attach photographs of existing buildings.

3. Utilities Serving the Project Site:

Water: Municipal  , Other \_\_\_\_\_. If other, describe \_\_\_\_\_

Sewer: Municipal  , Other \_\_\_\_\_. If other, describe \_\_\_\_\_

Electric Utility Co.: National Grid

Natural Gas Utility Co.: NYSEG

Other Utility Sources: \_\_\_\_\_

4. Present Legal Owner of the Project Site:

a. If the Company owns the Project site, indicate:

Date of Purchase: 5/1/18

Purchase Price: \$260,000

b. If the Company does not own the Project site, does the Company have the contractual right to purchase the Project site?

Yes  No  If yes, indicate:

Date Contract Signed: \_\_\_\_\_

Date Ability to Purchase Expires: \_\_\_\_\_

c. If the Company does not own the Project site, is there a relationship legally or by common control between the Company and present owner of the Project site?

Yes  No  If yes, describe:

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5. Zoning District in which the Project is located: Commercial 1

6. Are there any variances or special permits affecting the Project site now or which need to be obtained to complete the Project?

Yes  No  If yes, list below and attach copies of all variances or special permits:

(Our project is complete we will need a CZO - certificate of zoning occupancy)

**D. Description of the Proposed Construction:**

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes  No  If yes, indicate number of and size of new buildings:

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2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes  No  If yes, indicate:

a. The number of buildings to be expanded or renovated: 1

b. The size of any expansions: \_\_\_\_\_

c. The nature of expansion and/or renovation:

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3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

*First Floor retail, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup>  
floor will be 12 market rate apartments.*

**E. Description of the Equipment:**

1. Does part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")?

Yes  No  If yes, describe the Equipment:

*All new heating and electrical systems.*

*N/A*

2. With respect to the Equipment to be acquired, will any of the Equipment be previously used Equipment?

Yes  No  If yes, please provide detail below:

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3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

*Residential heating and cooling*

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**F. Project Use:**

1. What are the principal products to be produced at the Project site?

*N/A*

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2. What are the principal activities to be conducted at the Project?

*Retail tenant*

*Residential use - 12 units*

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3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities?

Yes  No  If yes please provide detail:

*1<sup>st</sup> floor will be retail/commercial use*

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 2 % (approximately)

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

a. Will the Project be operated by a not-for-profit corporation?

Yes  No  If yes, please explain:

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b. Is the Project likely to attract a significant number of visitors from outside the economic development region (as established by Section 230 of the Economic Development Law) in which the Project will be located?

Yes  No  If yes, please explain:

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c. Would the Project occupant, but for the contemplated Financial Assistance from the Agency, locate the related jobs outside of New York State?

Yes  No  If yes, please explain:

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d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or

village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes  No . If yes, please provide detail:

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e. Will the Project be located in one of the following: (i) an area which was designed as an empire zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (a) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (b) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

Yes ; No . If yes, please explain:

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6. If the answers to any of subdivisions c. through e. of question 5 are yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes  No . If yes, please explain:

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7. Will the completion of the Project result in the removal of an industrial or manufacturing plant of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York?

Yes  No . If yes, please explain:

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8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company or a Project Occupant located in the State of York?

Yes  No  If yes, provide detail:

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9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry?

Yes  No  If yes, please provide detail:

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b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York?

Yes  No  If yes, please provide detail:

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**G. Project Status:**

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same?

Yes  No  If yes, please discuss in detail the approximate stage of such acquisition:

*Property has been purchased - 5/2018*

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2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same?

Yes  No  If yes, please discuss in detail the approximate stage of such acquisition:

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B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? 0 %

IV. **EMPLOYMENT IMPACT**

N/A

A. Indicate below the number of people presently employed at the Project Site and the number that will be employed at the Project site at the end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the Applicant.

|                       | <b>Current # of<br/>Jobs at<br/>proposed<br/>Project location<br/>or to be<br/>relocated to<br/>Project location</b> | <b>If Financial<br/>Assistance is<br/>granted,<br/>estimate the<br/>number of<br/>FTE and PTE<br/>jobs to be<br/>Retained</b> | <b>If Financial<br/>Assistance is<br/>granted,<br/>estimate the<br/>number of FTE<br/>and PTE jobs to<br/>be <u>Created</u> by<br/>Two years after<br/>Project<br/>completion</b> | <b>Estimate number<br/>of residents of<br/>the Labor<br/>Market Area in<br/>which the<br/>Project is located<br/>that will fill the<br/>retained and<br/>created FTE and<br/>PTE jobs Two<br/>years after<br/>Project<br/>completion**</b> |
|-----------------------|--|---|---|--|
| Present Full Time     |  |   |   |  |
| Present Part Time     |  |   |   |  |
| First Year Full Time  |  |   |   |  |
| First Year Part Time  |  |   |   |  |
| Second Year Full Time |  |   |   |  |
| Second Year Part Time |  |   |   |  |
| <b>Total:</b>         |  | <u>N/A</u>  |   | <u>N/A</u>   |

\*\*For purposes of the question, please estimate in the fourth column the number of FTE and PTE jobs, as indicated in the second and third columns, that will be filled by residents of the Labor Market Area. The Labor Market Area includes Cortland County as well as the counties of Cayuga, Onondaga, Tompkins, Broome and Chenango.

| Category of Jobs to be Retained and Created | Estimated Average Salary or Range of Salary | Estimated Average Fringe Benefits or Range of Fringe Benefits |
|---|---|---|
| Management                                  |   |   |
| Professional                                | N/A   |   |
| Administrative                              |   |   |
| Production                                  |   |   |
| Independent Contractors                     |   |   |
| Other                                       |   |   |

B. Please state the anticipated date of completion of the Project site and the anticipated date of occupancy of the Project site:

Project Site Completion Date: 8/2020  
 Project Site Occupancy Date: 9/2020

V. **PROJECT COST**

A. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

| <b><u>Description of Cost:</u></b>                  | <b><u>Amount:</u></b> |
|---|-----------------------|
| Land Acquisition                                    | \$ _____              |
| Building Construction                               | \$ _____              |
| Building Renovation                                 | \$ _____              |
| Machinery and equipment costs                       | \$ _____              |
| Utilities, roads and appurtenant costs              | \$ _____              |
| Architects and engineering fees                     | \$ _____              |
| Costs of Bond issue (legal, financial and printing) | \$ _____              |
| Construction loan fees and interest (if applicable) | \$ _____              |
| Other (specify)                                     | \$ _____              |
|   | \$ _____              |
|   | \$ _____              |
|   | \$ _____              |
|   | \$ _____              |
| <b>TOTAL PROJECT COSTS:</b>                         | <b>\$ 2,440,490</b>   |

*See attached  
for detail*

B. Have any of the above expenditures already been made by the Applicant?  
 Yes \_\_\_\_\_ No \_\_\_\_\_. If yes, indicate particulars:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY

### A. Tax Benefits:

1. Is the Applicant requesting a real property tax exemption in connection with the Project from the Agency? Yes  No \_\_\_\_\_.
2. Is the Applicant expecting to be appointed agent of the Agency for purposes of receiving an exemption from N.Y.S. Sales Tax or Compensating Use Tax? Yes  No \_\_\_\_\_.
3. Is the Applicant requesting a mortgage recording tax exemption in connection with the Project from the Agency? Yes  No \_\_\_\_\_.
4. What is the estimated value of each type of tax exemption being sought in connection with the Project? Please detail the type of tax exemption and value of each exemption:
  - a. N.Y.S. Sales and Compensating Use Taxes: \$ 85,738
  - b. Mortgage Recording Taxes: \$ 11,828.00
  - c. Real Property Taxes: \$ 57,065 (est)
  - d. Other (please specify):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy? Yes  No \_\_\_\_\_. If yes, please explain how the request of the Applicant differs from the Agency's Uniform Tax-Exemption Policy:

*We are proposing freezing our current tax payment of \$14,000 for years 1-5 and then propose a 5 year step up period of 20% per year to full assessment of \$490,000 in year 10.*

### B. Financing:

1. Is the Applicant requesting that the Agency issue bonds to assist in financing the Project? Yes \_\_\_\_\_ No  If yes, indicate:
  - a. Principal Amount of Bonds Requested \$ \_\_\_\_\_
  - b. Maturity Requested \_\_\_\_\_ Years
  - c. Is the Interest on such bonds intended to be exempt from federal income taxation? Yes \_\_\_\_\_ No \_\_\_\_\_.

2. What is the approximate amount of private sector financing to be obtained? \$ 1,040,490. Is the Applicant expecting that the private sector financing of the Project will be secured by one or more mortgages? Yes  No       .  
If yes, what is the approximate amount of private sector financing to be secured? \$ 1,040,490.

3. Is the Applicant expecting that any of the financing of the Project will come from public sector sources? Yes  No       .  
What is the approximate amount of public sector financing to be obtained? \$ 1,000,000.  
If yes, is the Company expecting that the public sector financing of the Project will be secured by one or more mortgages or grant agreements? Yes  No       .  
If yes, what is the approximate amount of public sector financing to be secured? \$ 1,000,000.

4. Please state the approximate amount to be invested in the Project (not borrowed or the subject of a grant) by the Applicant \$ 400,000.

5. Please state the approximate total amount of borrowed funds to be invested in the Project \$ 2,040,490.

## **VII. REPRESENTATIONS BY THE APPLICANT**

The Applicant understands and agrees with the Agency as follows:

**A. Job Listings:** In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the Project is located.

**B. First Consideration for Employment:** In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. **Local Workforce Development:** The Applicant understands and agrees that if the Project receives Financial Assistance from the Agency, except as provided by collective bargaining where practicable, the Applicant will increase the skill base of the local workforce through training, opportunities for professional development and career track advancement.

D. **Annual Sales Tax Filings:** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.

E. **Annual Employment Reports:** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant will file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site.

F. **Absence of Conflicts of Interest:** The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

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G. **Federal, State and Local Laws:** The Applicant/Owner/Occupant/Operator receiving the Financial Assistance understands and agrees that it must be, at all times, in compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H. **Environmental Matters:** The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or Owner of the Premises to prepare and submit an environmental assessment and audit report including, but not limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the Owner and/or the Applicant.

All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-13, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made with reports required herein.

- I. **Release:** The Applicant and/or Owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or Owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations and audits.
- J. **Hold Harmless Provision:** The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suit or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such

terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application including, without limitation, information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

K. **False or Misleading Information.** The submission of any knowingly false or misleading information by the applicant may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

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## VERIFICATION

**(If Applicant is a Corporation, Limited Liability Company, General or Limited Partnership)**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.:

Stephen D. Franco deposes and says, under the penalties of perjury, that he/she is the member (must be the chief executive officer, member, manager, general partner or such other individual duly authorized to bind the applicant) of 83-85 Main Street LLC (name of applicant); that he/she has read the foregoing application and knows the contents thereof; and that the same is true, complete and accurate to the best of his/her knowledge; that the reason this verification is made by the deponent and not by the applicant is the applicant is a LLC (Corporation, Limited Liability Company, General or Limited Partnership). The grounds of deponent's belief relative to all matters in the application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as \_\_\_\_\_ of the applicant and from the books and records of the applicant.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_



Sworn to before me this 2  
day of July, 2019

Susan M. Dunn  
Notary Public

SUSAN M. DUNN  
Notary Public, State of New York  
No. 01DU6263837  
Qualified in Cortland County  
Commission Expires June 11, 2020

83-85 Main Street, LLC

**A. Description of the project:**

- 1) Narrative - This project is a mixed use redevelopment project of a chronically vacant, deteriorating historic building. The upper floors haven't been occupied in over 60 years and are in dire need of repair. The pictures provided show the extent of the damage and deterioration. Our plan is to fill the first floor with 1 or 2 high quality commercial tenants, and put 12 upscale, luxury, market rate, loft style apartments on the top 3 floors.
- 2) The cost of the renovations to this building will exceed \$2,000,000 and based on the projected income, even with the grants we have received, this project will produce a negative return. This building is a critical anchor to the South End of Main Street. Built in 1891, the upper floors of this building have been vacant since the early 1940's and are in very poor condition. The entire back end of the building collapsed in the 1960's and in order for our project to move forward we will need to rebuild a significant portion of the structure.

| Acquisition                     | Budget | \$ 260,000              |
|---------------------------------|--------|-------------------------|
| <b>Construction Costs</b>       |        |                         |
| GENERAL REQUIREMENTS            |        | \$ 214,800              |
| SITE PREP                       |        | \$ 53,000               |
| UTILITIES                       |        | \$ 18,350               |
| ROOFING                         |        | \$ 62,750               |
| ROUGH FRAMING                   |        | \$ 55,800               |
| EXTERIOR                        |        | \$ 106,790              |
| WINDOWS/EXTERIOR DOORS          |        | \$ 65,050               |
| PLUMBING                        |        | \$ 34,800               |
| ELECTRICAL                      |        | \$ 82,000               |
| HVAC                            |        | \$ 177,650              |
| INSULATION/AIR SEALING          |        | \$ 215,400              |
| DRYWALL/PLASTER                 |        | \$ 86,150               |
| INTERIOR FINISH                 |        | \$ 63,350               |
| KITCHEN & BATH                  |        | \$ 125,000              |
| APPLIANCES                      |        | \$ 198,950              |
| SITE WORK                       |        | \$ 147,100              |
| SITE IMPROVEMENTS               |        | \$ 198,900              |
| Sprinkler                       |        | \$ -                    |
| Contingency Owners              |        | \$ -                    |
|                                 |        | <u>\$ 170,000</u>       |
|                                 |        | \$ 2,075,840            |
| <b>Total Construction Costs</b> |        |                         |
| <b>Soft Costs</b>               |        |                         |
| Appraisal                       |        | \$ 2,800                |
| Survey                          |        | \$ -                    |
| Asbestos & Lead Testing         |        | \$ 35,000               |
| Archit/Engin Fees               |        | \$ -                    |
| PILOT PROGRAM COST              |        | \$ -                    |
| Project Manager                 |        | \$ 5,000                |
| Legal Fees                      |        | \$ 3,000                |
| Insurance                       |        | \$ -                    |
| Taxes                           |        | \$ 25,000               |
| Interim Financing               |        | \$ 12,500               |
| Closing Costs                   |        | \$ 4,400                |
| Title Insurance                 |        | \$ 14,000               |
| Title & Recording               |        | \$ 2,950                |
| Phase I ESA                     |        | \$ -                    |
|                                 |        | <u>Total Soft Costs</u> |
|                                 |        | \$ 104,650              |
| <b>TOTAL COST</b>               |        |                         |
|                                 |        | \$ 2,440,490            |

## 83-85 South Main Street Building (Hopkins Block) Adaptive Rehabilitation into Apartments

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The building known as the Hopkins Block was built in 1891 and housed dry goods stores until 1961. The 2<sup>nd</sup> floor once housed the Tioughnioga Club. The third and fourth floors were used by the masons. The building has been neglected for quite a while. The adjacent building to the south burned down and the fire spread to this building's attic roof structure. The rear bay of the building collapsed a number of decades ago and a new concrete masonry unit wall was built reducing the length of the building by 20'-0". The building as it stands has considerable rain water drainage and structural issues that continue to compromise the building's lifespan. There is presently only one tenant a tattoo parlor occupying a portion of the first level storefront. The current owners' intent is to rehabilitate the building into market rate apartments on the second through fourth floors and retain the first floor as commercial tenant space. They feel this most feasible use for this building in considering Cortland's real estate demand.

### Front Façade - West Elevation

- The front façade of the building appears original and is decorated with pressed metal pilasters and horizontal cove banding at the floor lines 2 through 4. The façade terminates with a large decorative cornice at the top. The metal work appears to be in fairly good condition.
- The façade is fenestrated with nine double hung wood windows on each floor level. However the windows are in poor condition with a considerable amount of dry rot. The intent is to replace the windows in kind with aluminum clad single hung windows replicating the existing.
- The storefront on the street level has been altered from the original (see photo). The windows have been replaced with aluminum windows with a flat panel fascia sign band above. The window base trim is flat panels. The storefront will be retained as is and repainted.

### North Exterior Wall

- North exterior wall abuts the adjacent building and is concealed for the most part. The exposed brick will be repointed and reflushed. The existing chimneys will be repaired, repointed and capped to prevent water penetration. The existing deteriorated metal coping will be replaced with a new prefinished aluminum coping.
- Note the East bay of the building (approximately 20'-0") collapsed a few decades ago. A new four story concrete masonry wall will be constructed from the existing masonry wall termination point on the west to the original back wall line.

### South Exterior Wall

- The South wall is exposed above the 2<sup>nd</sup> story and has been damaged from weather exposure and possibly from a fire that destroyed the adjacent building. Missing bricks will be replaced in kind. This wall will be repointed with a mortar compatible with the original mortar in mix and color. The makeshift metal and wood coping at the parapet will be removed and replaced with a new prefinished aluminum coping. The wall will be structurally tied to the floor diaphragm,

## 83-85 South Main Street Building (Hopkins Block) Adaptive Rehabilitation into Apartments

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exterior and interior walls and new elevator shaft for structural stabilization. The vinyl windows will be replaced with aluminum clad wood windows replicating the original wood windows.

- A new four story concrete masonry wall will be constructed from the existing masonry wall termination point on the west to the original back wall line. The exterior of the wall will be clad in EFIS painted to match the red brick masonry .

### East Exterior Wall

- The East wall is unreinforced concrete masonry. It was constructed approximately three decades ago. There is a single story portion built on the original east wall line with three large masonry openings. This is in poor structural condition the roof is flat and poorly draining. Recently during a winter storm the roof collapsed from ice damage.
- There is an unreinforced masonry three story wall set back approximately 20'-0 from the original wall line. This is poorly constructed and tied back to the south and north masonry walls with metal strap ties.
- Both of these masonry walls will be removed down to grade. A new reinforced concrete foundation wall will be poured along the exterior wall line. A new (4) four story light gage framing wall will be on the new foundation at original back wall line. The exterior of the wall will be clad in EFIS painted to match the red brick masonry. The wall will be fenestrated with new single hung aluminum clad wood windows matching the size and the location of the windows on the west façade.

### Building Roof

- The existing original roof is a gable roof with a combination of asphalt shingles gable and built up asphalt membrane. It appears as though the water sheet drains off the back (east) on to the lower roof and walls. This has deteriorated the brick masonry walls and the lower roof on the rear of the building. The roof structure has substantial sagging. This is due to the sagging roof trusses, cracked and fire charred joists.
- The roof trusses and will be straightened and repaired. Joists will be reinforced and/or replaced as required.
- The new roof on the collapsed portion to the east will be built with new wood trusses and sheathing to match the existing gable. New roof drains will be installed with interior drain lines.
- The existing roof membrane systems will be removed. Damaged roof sheathing will be replaced. The new roof membrane systems will be a combination of asphalt shingle and fully adhered EPDM membrane.

### First Floor Interior

- The first floor interior is partially occupied commercial space. The space is finished in vinyl floor tile, suspended acoustical tile ceilings and gypsum drywall partitions. There are no historic details remaining in the spaces. This floor is not part of the rehabilitation work with the

## 83-85 South Main Street Building (Hopkins Block) Adaptive Rehabilitation into Apartments

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exception of the replacement of the floor structure and the exterior walls in the east bay, a two new exit stair and an elevator to serve the upper floors.

- The existing northwest main stair accessed from Main Street will be removed. The stair has been modified and the historic character compromised on the upper floors. It would be difficult if not impossible to make the stair code compliant. A new code compliant stair and enclosure will be constructed from the basement to the fourth floor. The existing original stair wainscot and trim against the north wall will be retained to the from the entry door to the new stair enclosure.

### Second Floor Interior

- The second floor interior is vacant office space. The space is finished out with vintage 1970's finishes, there is carpet on the floors, suspended acoustical tile ceilings and gypsum drywall partitions. There are no historic details remaining in the spaces. The existing walls will be removed where they're nonstructural. The ceilings will be removed to expose the original plaster ceilings. *The new corridor and common area walls will be built out with drywall partitions.*

### Third Floor Interior

- The third floor interior has the original plaster ceilings and many of the original walls, decorative wainscot, doors and trim. The intent is to retain the walls and the trim to the greatest extent possible in the new construction and incorporate them into the new apartment designs.
- There is a large two story meeting room in the northeast corner of the floor. The size of the room was greatly reduced when the east portion of the building collapsed. The wall and ceiling plaster is in an extremely deteriorated condition from water damage. There is decorative wainscot trim along the walls and large wood doors with the original trim entering into the space. The space has no feasible future use as it is configured and because of its location on the 3<sup>rd</sup> floor it could not be used for an assembly space its original use. It is our intent to introduce a new floor into this space and utilize the space for apartments on this level and the new 4<sup>th</sup> floor. We would salvage the wainscot, doors and trim and install them in the common areas and apartment units.
- The wall trim and window trim along the West wall is intact. The intent is to retain repair and refinish the trim in place and incorporate it into the apartment units.
- There is a stair from the 3<sup>rd</sup> to the 4<sup>th</sup> floor along the south wall. The stair has a decorative wood railing on the open side and wainscot along the wall. The stair cannot feasibly be incorporated into the apartment plan. It is located where the new elevator shaft is planned. The concrete masonry shaft will be utilized as a structural component to stabilize and reinforce the existing exterior masonry wall. The intent is to retain the stair trim against the interior wall in the common areas and the apartments in this location

### Fourth Floor Interior

## **83-85 South Main Street Building (Hopkins Block) Adaptive Rehabilitation into Apartments**

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- The fourth floor interior has the original deteriorated plaster or exposed wood lath ceilings and many of the original walls, decorative wainscot, doors and trim. The intent is to retain the walls and the trim to the greatest extent possible and incorporate them into the new common areas and apartments.
- The wall trim and window trim along the West wall (Main Street elevation) is intact. The intent is to retain repair and refinish the trim in place and incorporate it into the apartment units.